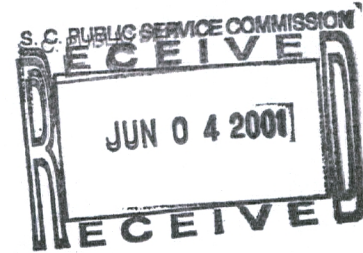


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BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
Docket No. 2001-65-C

In the matter of: )  
)  
Generic Proceeding to Establish Prices )  
For BellSouth's Interconnection Services, )  
Unbundled Network Elements and Other )  
Related Elements and Services )  
\_\_\_\_\_ )



TESTIMONY OF JAKE E. JENNINGS  
ON BEHALF OF NEWSOUTH COMMUNICATIONS CORP.

RETURN DATE: OK DeJ  
SERVICE: OK DeJ

1  
2 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS FOR THE  
3 RECORD.

4 A. My name is Jake E. Jennings and I am the Vice President of Regulatory Affairs for  
5 NewSouth Communications Corp. ("NewSouth"). My business address is 2 North Main  
6 Street, Greenville, South Carolina 29601.

7 Q. PLEASE DESCRIBE YOUR JOB RESPONSIBILITIES AT NEWSOUTH.

8 A. As Vice President of Regulatory Affairs, I am responsible for all regulatory matters at  
9 both the state and federal level for NewSouth.

10 Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND  
11 EXPERIENCE.

12 A. I have undergraduate and masters degrees in Economics from the University of Central  
13 Oklahoma. Prior to joining NewSouth in October 2000, I was employed by the Federal  
14 Communications Commission as Deputy Chief of the Policy Division, Common Carrier  
15 Bureau. I was instrumental in developing, reviewing, and analyzing local  
16 telecommunications policy issues and amendments to the Telecommunications Act of  
17 1996. In my capacity as Deputy Chief, I was responsible for several rulemaking  
18 proceedings including, but not limited to, the *Local Competition Fourth Report and*  
19 *Order* (UNE Remand) and *SBC Texas 271 Application*.

20 Prior to joining the FCC in March 1997, I was employed by the Illinois  
21 Commerce Commission starting December 1994 as a Senior Policy Analyst in the  
22 Telecommunications Division. In that capacity, I was primarily responsible for proffering  
23 expert testimony addressing telecommunications policy issues, including the proper  
24 classification of competitive services by the incumbent local exchange carrier, Ameritech  
25 Illinois.

26 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

27 A. To address the policy issue of whether BellSouth is required to combine unbundled

1 network elements for competitive local exchange carriers ("CLEC") where those  
2 elements are not physically combined. BellSouth currently takes the position that it is the  
3 CLEC's responsibility to combine unbundled network elements ("UNEs") in developing  
4 its non-recurring charges ("NRCs"). We are aware that the Commission has addressed  
5 this issue in the context of a single arbitration and has upheld BellSouth's position. *See,*  
6 *In re: Petition of IDS Telecom, LLC for Arbitration*, Docket No. 2001-19-C, Order on  
7 Arbitration, Order No. 2001-86 (April 3, 2001). We believe, however, that it is important  
8 for the Commission to revisit this issue in the context of this proceeding which effects all  
9 CLEC's. We would ask that the Commission reconsider its decision in the IDS  
10 arbitration and determine that BellSouth must combine unbundled network elements that  
11 are ordinarily combined.

12 Q. PLEASE PROVIDE SOME BACKGROUND INFORMATION ON THIS ISSUE.

13 A. In 1996, the Federal Communications Commission ("FCC") issued the *Local*  
14 *Competition First Report and Order* establishing rules implementing the local  
15 competition provisions, *inter ali*, of Section 251 of the 1996 Telecommunication Act.  
16 Included in those rules was the requirement that incumbent LECs combine UNEs for  
17 requesting carriers and precluded incumbent LECs from separating UNEs that were  
18 currently combined. In the summer of 1997, the Eighth Circuit Court of Appeals  
19 overturned the FCC's ruling, *inter ali*, stating that the FCC did not have jurisdiction to  
20 implement the local competition provisions of Section 251(c) including, the requirement  
21 that incumbent LECs combine UNEs on behalf of requesting carriers. The Supreme  
22 Court, however, reversed the Eighth Circuit's Court of Appeals decision stating that the  
23 FCC did have jurisdiction to implement the local competition provisions of the 1996  
24 Telecommunications Act and further found that it was discriminatory to allow incumbent  
25 LECs to separate existing combinations of UNEs and reinstated the FCC's rule CFR  
26 51.315(b).

1 Q. HAVE OTHER STATES IN THE BELLSOUTH REGION REQUIRED BELLSOUTH  
2 TO COMBINE UNES FOR REQUESTING CARRIERS?

3 A. Yes. The Georgia Public Service Commission has required BellSouth to perform the  
4 functions necessary to combine UNES where those UNES are ordinarily combined in  
5 BellSouth's network. (*In re Generic Proceeding to Establish Long-Term Pricing*  
6 *Policies for Unbundled Network Elements*, Docket No. 10692-U (February 1, 2000).

7 Q. HAS THE FCC ADDRESSED THE ISSUE OF WHETHER IT IS THE  
8 RESPONSIBILITY OF INCUMBENT LECS TO COMBINE UNES THAT ARE NOT  
9 CURRENTLY COMBINED?

10 A. No. In the UNE Remand Order, the FCC declined to address whether "currently  
11 combined" means "ordinarily combined" under rule 47 CFR 51.315(b) because the matter  
12 was pending before the Eighth Circuit.<sup>1</sup> In addition, the FCC has not addressed this issue  
13 in its review of Section 271 applications because each of the applicants since the Supreme  
14 Court decision have agreed to combine UNEs, even where those elements were not  
15 "currently combined." (I would note that BellSouth has recently filed with this  
16 Commission its Section 271 application for South Carolina and therein requests a  
17 favorable recommendation based in part on BellSouth's alleged compliance with Georgia  
18 performance measures. As noted above, the Georgia Public Service Commission requires  
19 BellSouth to combine unbundled network elements that are ordinarily combined even  
20 when the elements are not currently combined.)

21 Q. ARE THERE POLICY REASONS WHY THE COMMISSION SHOULD REQUIRE  
22 BELLSOUTH TO COMBINE UNES ON BEHALF OF REQUESTING CARRIERS?

23 A. Yes. Requiring BellSouth to combine UNEs on behalf of requesting carriers will prevent  
24 BellSouth from favoring its retail operations over CLECs. BellSouth combines UNEs for  
25 its own retail customers as a standard practice. For example, if you order an additional  
26 line for your house, BellSouth installs that line, including combining the loop with the

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<sup>1</sup> *UNE Remand Order*, 15 FCC Record at 3909, para 479.

1 switch port. If a CLEC, on the other hand, requests a new line for the customer using  
2 UNEs (loop, port, and shared transport, the combination commonly referred to as the  
3 UNE-P platform ("UNE-P")), then the line must be connected to the CLEC's collocation  
4 space first, and then connected to BellSouth's UNE local switching element. This  
5 requirement is inefficient from both an engineering and economic standpoint. Instead of  
6 requiring a single cross connect from the BellSouth main distribution frame ("MDF") to  
7 the BellSouth local switch port, two connections are required (one from the BellSouth  
8 MDF to the CLEC's collocation arrangement, a second from the CLEC's collocation  
9 arrangement back to BellSouth's switch port). This requirement also raises a CLEC's  
10 costs unnecessarily.

11 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

12 A. Yes.